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SUBJECT: Proposed Development Riles Conservationists

Ref: A: Gaborone 1453; B: Gaborone 1446

¶1. (SBU) Summary: A controversial, recently-published Environmental Impact Assessment (EIA) recommends approval of plans to develop a 550 acre site in Mosi-Oa-Tunya National Park. The project developer, Legacy Holdings Zambia Limited (Legacy Holdings, funded the EIA, which must be approved by the Environmental Council of Zambia (ECZ). The ECZ is currently soliciting public comments on the EIA. Local traditional leaders favor the development, but environmental groups have threatened to seek an injunction against Legacy should the ECZ approve the plan and allow the project to move forward. A court challenge would stand as an important test for the environmental movement and judicial independence in Zambia. End Summary.

Proposed Development

¶2. (SBU) A recently-released Environmental Impact Assessment (EIA) recommends for approval a proposal by Legacy Holdings (a local joint venture with the South Africa-based Legacy International Group) to build a large resort and conference center in Mosi-Oa-Tunya National Park. The planned USD 200 million "Mosi-Oa-Tunya Hotel and Country Club Estate Project" will sit on a 550 acre site in the national park and will include two five-star hotels, an 18-hole golf course, a conference center and a marina on the Zambezi River above Victoria Falls. Legacy predicts that the project will attract large numbers of tourists to Livingstone, resulting in new jobs and economic growth for the region. The Environmental Council of Zambia is taking public comments on the EIA, which was funded by Legacy and prepared in accordance with terms of reference approved by the Council. The comments will factor into the ECZ decision whether to approve the EIA, available on the internet at www.necz.org.zm/news/comments/eis-reports/legacy.htm

Conservationists Critical

¶3. (SBU) The proposed project has drawn criticism from local environmental and tourism groups. A principal concern is that the project, which transects the national park, will block an important elephant migration corridor and will threaten the planned Kavango-Zambezi (KAZA) transfrontier conservation area (ref A). Critics also contend that the project will jeopardize the UNESCO World Heritage status of Victoria Falls, which is also located within the national park. Zambian media have reported that UNESCO is concerned that Legacy and the Zambian government are violating protocols for the management of the world heritage site. UNESCO reportedly threatened to deregister the site should the project move forward.

¶4. (SBU) Several environmental and tourism groups are considering filing a class action lawsuit to enjoin Legacy Holdings from pursuing the project, should the ECZ approve the EIA. The groups claim that the ECZ-approved terms of reference for the EIA violate Zambian environmental protection laws. Conservationists further claim that the plans for the project conflict with the Zambian

Wildlife Authority (ZAWA) management plan, which calls for low density development in the area where Legacy seeks to build. In meetings with Regional Environmental Hub Officer (REHO) and Poloff (Ref B), Wildlife and Conservation Society of Zambia President Adam Pope asserted that Legacy Holdings pressed the Zambian Wildlife Authority (ZAWA) to bend rules in order to get approval for its plan. Because ZAWA does not receive sufficient funding in the GRZ budget, Pope said that the agency has a conflict of interest when it comes to approving projects that have the potential to provide it with significant revenue.

Local Chiefs on Board

15. (SBU) Despite the concerns voiced by conservationists, traditional leaders in the area say that they are more concerned about employment opportunities for their subjects than environmental issues. Commenting on the elephant corridor, Senior Chief Mukuni was reported to have said he did not want the elephants passing through his chieftdom, which includes the site for the Legacy project, because "they are destroying our crops and killing our people." Another local leader, Chief Musokotwane, said that Legacy had signed an agreement to employ 1,000 of his subjects. Musokotwane added that Legacy had signed similar agreements with Chief Mukuni and Chief Sekute, another local chief.

Legacy Response

16. (SBU) J.J. Sikazwe, the Chairman of Legacy Holdings Zambia, confirmed to Poloff that Legacy Holdings agreed to pay ZAWA USD 9 million as part of a Tourism Concession Agreement (TCA) to develop the site. Legacy will pay the money to ZAWA in installments after construction begins, Sikazwe said, emphasizing that ZAWA has not

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received any payments to date. In addition, Legacy will pay ZAWA as much as two million USD a year in concession fees once the project is operational.

17. (SBU) In a meeting with REHO and Poloff, Sikwaze denied that ZAWA had been influenced by the Legacy money, noting that the area where the company seeks to build was already earmarked for development. There are currently several projects under construction, as well as several completed hotels and resorts in the 66-square kilometer park, Sikazwe added. Responding to concerns that the Legacy project will jeopardize the status of Victoria Falls as a World Heritage Site, Sikazwe noted that the resort will be several kilometers upstream from the Falls. In contrast, Sikazwe pointed out that the Sun International Hotel is located virtually at the edge of the Victoria Falls. The National Heritage Conservation Commission (NHCC) of Zambia has issued a statement in support of the Legacy project, Sikazwe said, arguing that the development is necessary if Livingstone is to become a global tourist destination.

Comment

18. (SBU) Beyond its environmental implications, the Legacy project promises to challenge Zambian institutions charged with environmental protection. Legacy Holdings Chairman Sikazwe's assertion that money did not play a role in the ZAWA decision to grant Legacy a tourism concession agreement does not seem plausible.

While there is no evidence that ZAWA contravened Zambian environmental law, it is likely that the notoriously under-funded agency was influenced by the revenue that will come with the project's development. As a government agency and a stakeholder in the project, ZAWA will exercise considerable influence over the ECZ decision whether to approve the EIA and allow the project to move forward. Also, the GRZ seems to support the project: former Vice President Lupando Mwape laid a foundation stone in a ceremony at the project site earlier this year. If environmental groups go to court to block the Legacy project, should it be approved, and assuming the case has merit, it will be an important test of judicial independence in Zambia.

